

NOV 15 1993

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November 15, 1993

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554Re: Rule Making Docket No. 8355

Dear Mr. Caton,

Transmitted herewith on behalf of Motor-Columbus AG are an original and four copies of Reply Comments in the above referenced docket.

In the event there are any questions concerning this matter, please communicate with this office.

Very truly yours,


Gregory C. StapleNo. of Copies rec'd
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Market Entry and Regulation
of International Common Carriers
With Foreign Carrier Affiliations

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FEDERAL COMMUNICATIONS COMMISSION
RM No. 8355 OFFICE OF THE SECRETARY

REPLY COMMENTS OF MOTOR COLUMBUS

MOTOR-COLUMBUS AG

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November 15, 1993

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SUMMARY

The public interest would not be served by imposing AT&T's desired market access rules and operating conditions on foreign-affiliated international carriers, especially when AT&T simultaneously has asked the FCC to free its own international service business from regulation. AT&T tries to justify its asymmetric regulatory approach by falsely equating a carrier's foreign affiliation with market power or dominance. Yet many foreign affiliated U.S. carriers are non-dominant in their home market and in the U.S.

Further, AT&T presents no evidence that the FCC's existing case-by-case review of applications involving dominant foreign carriers is inadequate to protect telecommunication users from anti-competitive practices. In contrast, since at least 1990, AT&T's numerous regulatory filings at the FCC and related lobbying activities have significantly curtailed the choice of international services available to U.S. telecommunication users. See Exhibit 1.

AT&T's petition is also flawed because it takes a one-sided approach to the regulatory challenges presented by new international service models. The industry is currently in a transition from a monopoly, facilities intensive, half-circuit "Heavy Carrier" model for delivering services to a competitive, software-driven, whole circuit "Light Carrier" service model. This transition promises large benefits in price and service innovation for users, but only so long as carriers can compete for through service in the U.S. and at the foreign end. Reasonable domestic

interconnection terms and regulatory freedom are necessary at both ends of the service.

However, AT&T's petition urges the FCC to improve the interconnection terms available to AT&T foreign affiliates while restricting competition by foreign-affiliated carriers in the U.S. This one-sided approach is anti-competitive. It would maintain AT&T's dominance in the U.S. until AT&T is able to extend its operations into foreign markets directly or through alliances with equally dominant carriers.

If the FCC launches a proceeding on international communications the public interest might be best served by a fairly narrow inquiry. Priority should be given to removing or amending existing Commission rules and policies (e.g., the International Settlements Policy), which restrict competition in the U.S. by non-dominant international carriers, foreign affiliated or not. Plentiful international transmission facilities and intelligent network technologies now permit much wider competition for international services than heretofore possible. The interests of telecommunication users are likely to be best served by encouraging this trend rather than hampering it with new regulations, as AT&T proposes.

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With Foreign Carrier Affiliations)
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REPLY COMMENTS OF MOTOR COLUMBUS

Motor-Columbus AG (Motor Columbus)¹, by its attorneys, hereby submits reply comments in response to the above-referenced Petition For Rulemaking filed by American Telephone and Telegraphy Company (AT&T).²

I. INTRODUCTION

This Summer Robert Allen, Chairman and CEO of AT&T, advised the Financial Times that the U.S. market for long distance telecommunication services was competitive enough to dispense with regulation. "I find it hard to believe that, with four major competitors to AT&T in the U.S., we need much regulation," said Mr. Allen. "The FCC could 'virtually fall away' if its staff 'weren't so interested in protecting their own jobs.'"³ Two months later AT&T filed a motion in FCC Common Carrier Docket No. 79-252 asking

¹ Motor Columbus, a Swiss company, is the majority owner, through a subsidiary, of two European telecommunication carriers, WORLDCOM International, Inc. (WCI), with its main office in the U.K., and WORLDCOM GmbH (WCG), with its main office in Germany. WCI and WCG offer international private line services to the U.S. in conjunction with IDB Communications Group, Inc. (IDB) and its wholly owned subsidiary, World Communications, Inc. (WorldCom).

² See Public Notice FCC Report No. 1975, released October 1, 1993, p. 2.

³ Financial Times, July 19, 1993, p. 26.

the Commission to declare the company a "non-dominant" carrier for domestic and international services so that it could compete on an equal regulatory footing with MCI, Sprint and other "non-dominant" carriers.⁴

In view of AT&T's plea to free its own international services business from FCC regulation, it is hard to credit the company's current request (filed the same day as its motion in CC Docket No. 79-252) to impose sweeping new FCC administered market access and operating rules on the international services of competing foreign-owned or "affiliated" carriers. The regulatory freedom AT&T desires apparently is not appropriate for AT&T's competitors, at least if they are foreign "affiliated."

AT&T nevertheless alleges that new rules are needed because otherwise foreign carriers will leverage their foreign market power by "entering into exclusive or discriminatory arrangements with a U.S. affiliate ... to reduce competition in U.S. services, and choices for U.S. consumers."⁵ According to AT&T, "foreign market power ... arises either because of the protected status of the foreign carrier in its own market, or because of that carrier's control over the distribution facilities necessary to complete

⁴ AT&T "Motion For Reclassification Of American Telephone & Telegraph Company As A Nondominant Carrier", CC Dkt. No. 79-252, dated September 22, 1993. This motion, perhaps not surprisingly, does not discuss the company's current rulemaking petition.

⁵ AT&T "Petition for Rulemaking," p. ii. Although FCC rules currently define "affiliation" based upon one company's ability to control another and thus secure a competitive preference (See 47 CFR § 63.01(r)(1)(i)), AT&T's proposal would abandon this competition based rule by defining a foreign affiliate as an entity "in which a foreign carrier holds, directly or indirectly, an ownership interest of five (5) percent or more." Id., Attachment I, p. 2.

international calls."⁶ AT&T's position does not withstand scrutiny.

II. AT&T'S RULEMAKING PROPOSALS ARE ANTI-COMPETITIVE AND WOULD EXTEND AT&T'S DOMINANCE AT THE EXPENSE OF MANY FOREIGN-AFFILIATED CARRIERS WHICH HAVE NO MARKET POWER

One of the main problems with AT&T's Petition is that it automatically equates foreign ownership with market power and/or anti-competitive practices. This assumption is wrong for several reasons.

First, many of the foreign owned carriers operating in the U.S. or seeking FCC authority to do so have a de minimus share of the telecommunications service market outside the U.S. Moreover, non-dominant foreign carriers frequently "affiliate" with non-dominant carriers in the U.S. Many foreign "affiliated" carriers thus must compete against the dominant carrier in their home market as well as the dominant carrier, AT&T, in the U.S.⁷ AT&T's proposed market-entry rules consequently would further handicap the very non-dominant carriers which have been at the forefront of providing price and service competition to U.S. telecommunication users.

Second, even where a U.S. carrier has an "affiliation" with a

⁶ Id. at p. 42, n. 55.

⁷ The Motor Columbus companies, for example, are non-dominant in the U.K. and Germany; the companies' principal correspondent, IDB, is non-dominant in the U.S. ACC Global Corporation, a non-dominant U.K. carrier, is commonly owned with ACC Long Distance Ltd., a non-dominant U.S. resale carrier. Likewise, Sprint Telecommunications Limited, another non-dominant U.K. carrier, is affiliated with Sprint Communications Company L.P., which is non-dominant in the U.S. See also the "Comments" of the U.S. carrier, Dometel Communications, Inc. (t/a TRICOM), a subsidiary of the non-dominant Dominican Republic carrier, Telepuerto San Isidro, S.A.

dominant foreign service provider, AT&T has not shown that the Commission's current regulatory policies are insufficient to protect the public's interest in "rapid, efficient nationwide and world wide wire and radio communications service ..." pursuant to Section 151 of the Communications Act, 47 U.S.C. § 151. AT&T's petition is devoid of any factual evidence that telecommunications users (not AT&T) have (or will) be hurt by the service offerings provided by foreign "affiliated" carriers.

By contrast, there is growing evidence that, at least since 1990, AT&T's attempt to preserve its position as the dominant U.S. international carrier through numerous FCC petitions, letters, complaints and lobbying activities, has significantly reduced the range of international service offerings available to telecommunications users. A partial list of AT&T's anti-competitive regulatory filings is provided in Exhibit 1 hereto. As such, notwithstanding AT&T's current petition for "non-dominant" treatment, the biggest impediment to a more competitive U.S. international services market for users appears to be AT&T, not foreign "affiliated" carriers.

III. AT&T'S PETITION IS A ONE-SIDED APPROACH TO THE REGULATORY CHALLENGE PRESENTED BY NEW INTERNATIONAL SERVICE MODELS

The failure of AT&T's petition to give due weight to the price and service needs of telecommunications users points to a second serious shortcoming with the company's filing: the AT&T proposals are opposed to the fundamental, pro-competitive paradigm shift which is driving the international telecommunication services

business today.

For several decades, international telecommunications has been dominated by nationalistic, monopolistic, hardware intensive "Heavy Carriers." These carriers typically interconnect their facilities at an agreed mid-point to provide one half of a given service, such as telephony or telex. However, during the last few years, technological change, market liberalization and user demand have made it possible for many facilities-based carriers, including AT&T, to offer customized service on an end-to-end basis via joint ventures, corporate alliances and direct investment in foreign carriers. Other nonfacilities-based or "Light Carriers" have pioneered competitive end-to-end services by reselling, repackaging or reprogramming the offerings of established carriers.⁸

Taken together, these new service arrangements -- and the competition they have sparked, even in markets where only one or two facilities-based carriers are licensed -- have begun to call into question many of the current rules regarding the financial settlements for and routing of international traffic. At the same time, because of the growing interest of users in having a single carrier or group of carriers to provide end-to-end international service, the availability of reasonable, non-discriminatory domestic interconnection for foreign carriers (U.S. based or otherwise) has never been more important. In many respects, the

⁸ See generally U.S. Congress, Office of Technology Assessment, U.S. Telecommunication Services in European Markets, OTA-TCT-548 (Washington, D.C. U.S. Government Printing Office, 1993) Chapter 2, Technological Trends and Issues; G. Staple, "Winning The Global Telecommunication Market," TeleGeography 1992 (London, International Institute of Communications, 1992).

terms and conditions upon which domestic interconnection is provided may determine the extent to which international service competition will be a significant factor in a market or a sideshow.

AT&T's Petition, however, does not address the regulatory challenges posed by this ongoing industry paradigm shift in an even handed fashion. On the one hand, AT&T asks the FCC to help it secure fair interconnection terms overseas so that AT&T can compete on a level playing field with facilities-based foreign carriers. But, on the other hand, even as it seeks new regulatory freedoms for itself, AT&T urges the FCC to restrict competition by foreign-affiliated carriers in the U.S. AT&T would have the FCC do this by adopting new market access rules and by codifying historic settlement practices (e.g., parallel accounting rates, proportional return, anti-refiling rules) which limit the scope for competing services.

Thus, read together, the rules which AT&T advocates are anti-competitive. They would preserve and extend the old monopoly-based "Heavy Carrier" international service model -- a model in which AT&T is the dominant international player -- until AT&T is able to extend its dominance into foreign markets through its own facilities or through an alliance with equally dominant facilities-based carriers.⁹

⁹ It was recently reported, for example, that AT&T is close to forming a three way alliance with France Telecom and Deutsche Burdespost Telecom. Earlier this year, AT&T formed the World Source Alliance with Singapore Telecom and Japan's KDD. "AT&T's strategy for expanding globally is to 'seek out alliances with the dominant players' in any single market, former AT&T Vice Chairman, Randal Tobias told us earlier." Communications Daily, November 9, 1993, p. 1.

IV. FCC REGULATION OF INTERNATIONAL TELECOMMUNICATIONS IN THE 1990s SHOULD REFLECT THE NEW COMPETITIVE OPPORTUNITIES WHICH PLENTIFUL TRANSMISSION FACILITIES, INTELLIGENT NETWORKS AND ENTREPRENEURIAL CARRIERS MAKE POSSIBLE

If the FCC chooses to start a new inquiry or rulemaking proceeding regarding international communications matters, the agency should take into account the following factors:

A. International Telecommunication Transmission Capacity Is Now Plentiful

Over the last decade, international communications has changed from a supply-constrained business with trans-oceanic telephone circuits costing \$100,000 or more to a industry facing significant excess capacity and where inter-continental circuits may cost no more than a wide screen TV. As AT&T itself advised the National Telecommunication and Information Administration (NTIA) earlier this year: "[T]here is substantial excess substitutable capacity in the international arena that can be used to provide international switched service."¹⁰ In fact, AT&T advised, "currently installed or planned international submarine cable facilities ... could accommodate a tenfold increase in traffic demand."¹¹ AT&T also noted that the capacity of today's fiber optic cables, which can already carry 3.4 Gigabits per second (Gbps) (over 250,000 simultaneous calls) on a single fiber will grow manyfold. "Wavelength division multiplexing (WDM) can potentially extend this bandwidth by putting up to 1000 channels of 1-10 Gbps each on a

¹⁰ AT&T, "Supplement To Comments Of AT&T To The Notice Of Inquiry," NTIA Docket No. 921251-2351, April 20, 1993, p. 16.

¹¹ Ibid.

single fiber"¹² -- enough to accommodate hundreds of millions calls per undersea cable.

In this environment, surely the public interest is not served by adopting new rules to fence out international service providers foreign or domestic (there is enough bandwidth to go around), but by rethinking existing rules which limit the efficient end-to-end use of such facilities.¹³

B. Intelligent Network Technologies (Software Controlled Switches, Common Channel Signaling) and "Smart" Terminals Make Competing International Carriers and Services Feasible in Almost Any Market.

As discussed above, technology is rapidly breaking down the traditional model of international communications under which sovereign monopoly (or oligopoly) carriers interconnect dedicated transmission circuits at the half-way point to provide through service between countries. Innovative switching and signaling technologies now permit international networks to be partitioned into tens of "virtual" networks on an end-to-end basis for carriers or customers. Further, "intelligent" networks make it possible to configure network services, call routing and billing arrangements for customers without regard to the traditional geographical or physical boundaries between interconnecting carriers. Likewise,

¹² Id. at p. 20.

¹³ For example, in April 1993, WCI proposed to initiate new International Virtual Private Network (IVPN) services between the U.K. and the U.S. in conjunction with IDB; in May, 1993 a similar IVPN service was proposed by WCG between Germany and the U.S. However, AT&T has blocked both of these services by opposing the International Settlement Policy (ISP) waivers which IDB was required to file, inter alia, because the FCC's staff advised that the proposed IVPN services might be inconsistent with the ISP's proportional return requirements. Significantly, the European IVPN services at issue would have accounting rates equivalent to \$.26 per minute, substantially below the current accounting rate for AT&T's IVPN service between the U.S. and Europe. See File Nos. USP-93-W-208 and USP-93-W-209.

corporate private line networks and smart "terminals", from Private Branch Exchanges (PBXs) to auto-dialers, give customers rather than carriers more and more control over the routing of international telecommunication traffic. These developments have subjected national carriers, wherever located, to international competition.

AT&T, of course, is well aware of these trends. Indeed, AT&T's own Country Direct, international calling card and Global Software Defined Network (GSDN) services have played a central role in breaking down the traditional ties between many foreign carriers and their customers. In AT&T's words, international telecommunications "is changing from a two-way business based on partnership provision to a one-way business based on customers' view of the market."¹⁴

Again, in this new environment, surely the FCC's first priority should be to encourage U.S. carriers, whether foreign affiliated or not, to use the pro-competitive network technologies now available to deliver more affordable and varied international communication services -- not to rein in these carriers with new regulations.

¹⁴ AT&T "Supplement" in NTIA Docket No. 921251-2351, supra, p. 4.

C. Operating Conditions and Settlement Policies Which May Safeguard Competition in a World Where, Outside the U.S., Basic Telephone Service and Monopoly Carriers Are The Norm Can Stifle Competition When More than One Supplier and Customized Telecommunications Services Exist at the Foreign End.

AT&T argues that even if foreign carriers (or affiliates) demonstrate comparable competitive opportunities in their home market, no FCC authorization should be granted unless the carrier agrees to at least seven operating conditions.¹⁵ These include:

(1) Forbidding "exclusive arrangements for provision of basic or enhanced services";¹⁶

(2) Requiring foreign carriers to return traffic to affiliated U.S. carriers only in proportion to that received;

(3) Prohibiting the refiling of U.S. originated or terminated traffic without the consent of the originating and terminating carrier;

(4) Forbidding the foreign carrier's U.S. affiliate from having any rights regarding transit traffic or otherwise which are not available to other U.S. carriers; and

(5) Agreeing to make available to all U.S. carriers, under tariff, interconnection and distribution arrangements in the foreign carrier's home market on the same terms as the foreign carrier provides to its U.S. affiliate.

As a competitive service provider facing two of the largest carriers in the world (BT and DBP Telekom), Motor Columbus shares AT&T's concern about the potential abuse of market power by dominant carriers and their affiliates. However, at least half of the operating conditions AT&T proposes (numbers 1 to 4 above) are as likely to hamper competition as to promote it. The reason is that preferential, even exclusive, arrangements between affiliated

¹⁵ AT&T, "Petition", supra at pp. 8-9.

¹⁶ Id. p. 8.

international carriers -- as with preferential arrangements in the international banking, air travel and hotel industries -- may well be an effective way for new service providers to win customers. In a competitive market, preferential arrangements may also be an important way of distinguishing one carrier's services from its competitors.¹⁷ To prohibit such arrangements across-the-board is only likely to preserve the power of the dominant service provider.

Further, as MCI states in its rulemaking comments, satisfying the "public's demand for seamless sophisticated international services requires reducing and eliminating historical impediments to interconnectivity"¹⁸ between carriers and services. Accomplishing this will require close cooperation between U.S. and foreign carriers. This "may take many forms," states MCI, "including correspondent relationship, technological licensing agreements, joint ventures ... equity relationships and other forms of cooperation."¹⁹

In these circumstances, the stringent operating conditions which AT&T seeks to place on all authorizations held by U.S. carriers affiliated with a foreign service provider would plainly

¹⁷ For example, U.S. Air and British Air (BA) have recently formed a corporate alliance to compete more effectively for trans-Atlantic passengers. This alliance reportedly has led the companies to coordinate domestic and international flight schedules; to hub flights through cities chosen by U.S. Air and BA; and to offer customized seating, special in-flight service and carrier-specific frequent flyer plans. See, e.g., "A Survey of the Airline Industry," The Economist, June 12, 1993, Special Supplement. Yet, under AT&T's proposed rules and, indeed, under the FCC's existing International Settlement Policy (ISP), such arrangements would be illegal; they involve discriminatory interconnection arrangements, traffic refiling and exclusive dealing -- exactly the type of pro-competitive arrangements which airline passengers want and, no doubt, many telecommunication users as well.

¹⁸ "Comments" of MCI Telecommunications Corporation, November 1, 1993, p. iii.

¹⁹ Ibid.

disserve the public interest. They would crimp the options of international carriers at the very time when novel service options are most likely to expand choice for consumers in the U.S. and in foreign countries. Exclusive arrangements and price discrimination should not per se be of concern to the FCC. The question should be whether the arrangements in questions would unreasonably reduce competition in a given telecommunication services market. Where enhanced services are concerned and non-dominant carriers are involved at both ends of the service, little if any regulatory intervention is warranted. In other cases, a case-by-case review process is likely to be adequate to protect the public interest.

V. CONCLUSION

The new across-the-board market entry and operating regulations advocated by AT&T for foreign affiliated carriers would frustrate the development of competitive international services and harm telecommunication users in the U.S. and foreign countries. If the FCC chooses to initiate a rulemaking proceeding on international communications matters, the public interest might be best served by a narrow inquiry which focuses on removing or modifying existing regulatory barriers to international service competition, not in erecting new ones.²⁰

In any such inquiry, the Commission might also consider the

²⁰ See the discussion at page 8 and note 13 supra. See also the "Petition for Rulemaking" filed by IDB Communications Group, Inc. on October 29, 1993. In its petition, IDB asks the Commission to end the discriminatory treatment of international resale carriers which lease facilities in undersea cables. As explained in IDB's petition, in some cases, such carriers, unlike carriers which lease facilities from international satellite systems, may be subject to much more onerous market entry requirements by the FCC.

following views of a long time scholar of trade disputes in high technology industries:

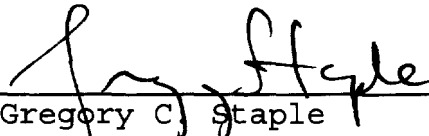
*"If one accepts recurrent government intervention ... [in an industry] as a given, ... then the relevant policy challenge at the international level is the design of multinational rules that prescribe the most harmful forms of intervention while allowing those that encourage innovation and competition."*²¹

Because so many of AT&T's proposals would not "encourage innovation and competition" by international carriers or by foreign regulators, the company's petition does not provide a sound basis for Commission action.

Respectfully submitted,

MOTOR-COLUMBUS AG

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November 15, 1993

²¹ Laura D'Andrea Tyson, Who's Bashing Whom? (Institute for International Economics, Washington, D.C., 1992) p. 214.

**AT&T Regulatory Filings Against
Competing International Facilities and Services (1990-1993)**

1. Competing International Private Line Services

a) Informal Complaints Against U.S.-Canada Private Line Services

- February 5, 1990 - AT&T "Informal Complaint" against MCI and Sprint "IMTS Option" permitting Canadian private line customers to interconnect with the U.S. PSTN.
- March 5, 1990 - AT&T "Petition For Expedited Declaratory Ruling" in CC Docket No. 86-494 asking FCC to declare MCI and Sprint offerings an "unreasonable practice" under Section 201(b) of the Communications Act.

b) Opposition to FCC International Resale Rules

- August 16, 1991 - AT&T "Comments" on Further Notice of Proposed Rulemaking, CC Docket No. 90-337, Phase II, 6 FCC Rcd. 3434 (1991), arguing, inter alia, that FCC proposal to liberalize the resale of International Private Lines (IPLs) should be conditioned on strict new reciprocity rules and detailed reporting requirements; corporate IPLs interconnected to the Public Switched Telephone Network (PSTN) at carrier central offices should be subject to FCC and carrier scrutiny under the International Settlements Policy (ISP). See 47 CFR § 64.1001.
- February 7, 1992 - AT&T "Petition for Reconsideration" of First Report and Order, CC Docket No. 90-337, Phase II, 7 FCC Rcd 559 (1991) [International Resale Order], urging FCC to limit scope of order, inter alia, by requiring any U.S. carrier connecting a customer IPL to the PSTN to demonstrate that equivalent opportunities exist at foreign end.
- February 12, 1993 - AT&T "Comments" on Order on Reconsideration and Third Notice of Proposed Rule Making, 7 FCC Rcd 7927 (1992), seeking, once again, to limit the scope of IPL services by imposing reporting and foreign equivalency requirements.

Beyond that, AT&T tried to block or postpone FCC action in CC Docket No. 91-360 to revise the Commission's rules regarding the regulation of "foreign owned" U.S. carriers. Absent a rule change, the U.K. had suggested that it was unlikely to find the regulatory equivalence necessary to authorize international resale between the U.K. and the U.S. See e.g., CC Docket No. 91-360, AT&T "Reply", March 14, 1992; 26 February 1992 Letter of S.R. Sklaroff, First Secretary, British Embassy, Washington, D.C. Failing that, AT&T urged the White House to seek postponement of any FCC order in CC Docket No. 91-360 pending a "Blue Ribbon Commission" report on U.S. international telecommunications policy. See Telecommunications Reports, October 5, 1992, p. 1.

c) Petitions To Deny International Resale Applications

U.S.-Canada Service

- May 22, 1992 - AT&T "Petition to Deny" File No. ITC-91-050, (Application of Eastern Microwave, Inc.);
- December 4, 1992 - AT&T "Petition For Reconsideration" of Memorandum Opinion and Order and Certification, 7 FCC Rcd 7312 (1992), granting, inter alia, Eastern Microwave, Inc. resale application.
- December 18, 1992 - AT&T "Petition to Deny," File No. ITC-93-042 (Application of ACC Global Corporation);

U.S.-U.K. Service

- December 28, 1992 - AT&T "Petition to Deny" File No. ITC-93-035, (Application of ACC Global Corporation)
- January 15, 1993 - AT&T "Petition to Deny" File No. ITC-93-042 (Application of Alanna, Inc.)
- April 15, 1993 - AT&T "Petition To Deny" File No. ITC-93-126, (Application of BT North America, Inc.)

Other Routes

- October 2, 1993 - AT&T "Petition to Deny" File No. I-T-C-93-328, (Application of Cable & Wireless, Inc. re Canada, U.K., Australia and Sweden)

AT&T also has filed complaints against carriers providing competing IPL services which allegedly do not comply with the International Resale Order. See e.g., AT&T "Informal Complaint" against World Communications, Inc., WorldCom International, Inc. and WorldCom GmbH, filed December 21, 1992 (assigned File No. IC-93-02151).

2. Competing International Message Telephone Services

Since at least 1992, AT&T has sought to prevent U.S. based companies from directly or indirectly reselling U.S. MTS and IMTS offerings to foreign users via automated call back equipment. For example, see:

- December 28, 1992 - AT&T "Petition to Deny" File No. I-T-C-93-054 (Application of Via USA, Ltd.)
- January 22, 1993 - AT&T "Petition to Deny" File No. I-T-C-93-054 (Application of Discount Call International Company)
- April 1, 1993 - AT&T "Formal Complaint Against Globalnet Communications, Inc." (assigned File No. E-93-87).
- June 10, 1993 AT&T "Informal Complaint" against US Fibercom (assigned File No. IC-93-07792).

3. Competing Undersea Cables

AT&T is the largest U.S. owner of undersea cable circuits and the only U.S. carrier to own a fleet of submarine cable laying ships. The company has opposed cable authorizations in which it does not have an interest. For example, see:

- June 1992 AT&T, "Petition to Deny", File No. S-C-L-02-004 (Optel Communications, Inc. application for cable landing license).
- May 26, 1993 AT&T "Petition For Reconsideration (re Conditional Cable Landing License, 8 FCC Rcd 2267 (1993)).

See also the matters raised in the Submarine Lightwave Cable Company (SLC) "Petition to Deny" the TAT-10 cable. File No. I-T-C-91-135. AT&T sought FCC authority for the TAT-10 Cable only after commercial pressures apparently led other carriers to abandon their plans for competing trans-Atlantic cables. See Telecommunications Reports International, June 14, 1991, pp. 1-2.

4. Miscellaneous International Facilities and Services

AT&T also has petitioned the FCC to prevent or limit foreign owned or affiliated carriers from acquiring U.S. facilities which might be competitive. See for example:

- November 3, 1992 - AT&T "Letter to Donna R. Searcy, Secretary, FCC From Elaine R. McHale, Senior Attorney." regarding applications by a subsidiary of the Spanish carrier, TeleFonica de Espana, File Nos. I-T-C-92-116-AL et al. Notwithstanding the FCC's approval of these applications, subject to extensive conditions, (see Telefonica Larga Distancia de Puerto Rico (TLD) et al., 8 FCC Rcd 106 (1992)), AT&T has opposed almost all of TLD's subsequent applications for facilities. See the AT&T Petitions to Deny File Nos. I-T-C-92-242 (application for service to Bahamas); I-T-C-93-033 (application for service to the Netherlands); I-T-C-93-091 (application of non-interconnected private line service to the Dominican Republic); I-T-C-93-029 and 030 (applications to participate in the proposed Colombia II/Americas-1 cable).
- May 28, 1993 - AT&T "Petition to Deny" File No. ITC-93-160-TC (Application of Americatel Corporation to transfer Section 214 authorizations to a company 80% owned by ENTEL, an affiliate of a Chilean carrier.)
- August 13, 1993 - AT&T "Petition to Deny" File No. ITC-93-246 (Application of DOMTEL Communications, Inc., an affiliate of the Dominican Republic carrier, Telepuerto San Isidro, S.A. (d/b/a TRICOM) for Section 214 authority to acquire facilities for IMTS between the U.S. and the Dominican Republic.)

CERTIFICATE OF SERVICE

I, Barbara Frank, a secretary in the law offices of Koteen & Naftalin, hereby certify that true copies of the foregoing "REPLY COMMENTS OF MOTOR COLUMBUS" have been served upon the following by first-class United States mail, postage prepaid, this 15th day of November 1993:

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